

# Private Risks



Trust and Communication

# Introduction



- ✓ Many challenges may affect the outcome of a project
- ✓ Unexpressed Risks can endanger any effort
- ✓ Risks that are personal or private are just as important as traditional risks

# Private Risks Lead Project Failure



- ✓ “28% of respondents reply that lack of communication is the main cause of project failure” -CompTIA
- ✓ 57% of project failure due to a breakdown in communication - Bull Study (1998)

# Topics of Discussion



- ✓ What Are Private Risks?
- ✓ What is Trust?
- ✓ How Can Communication Affect Private Risk Reporting?
- ✓ How Do We Manage Private Risks?
- ✓ What Can You Do If Trust is Lost?

# What are Private Risks?



- ✓ Private Risks are project risks that relate to personal or confidential issues
- ✓ Private Risks could damage morale if they were widely known
- ✓ Private Risks could damage customer and sponsor relationships if they were widely known

# Examples of Private Risks



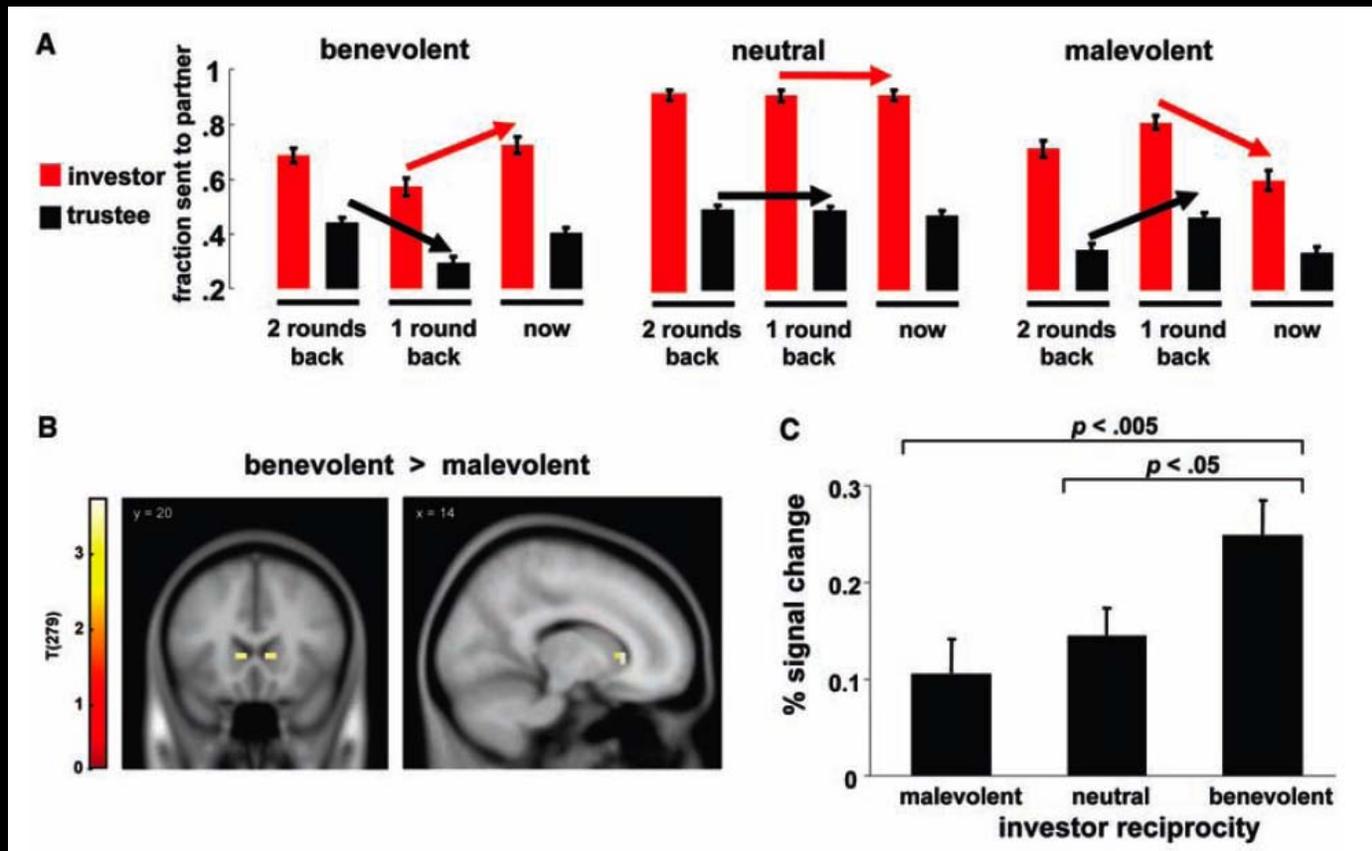
- ✓ Two team members have a personal dispute
- ✓ A project member is not well compensated
- ✓ A project member is having a life event
  - ✓ A marriage
  - ✓ A child
  - ✓ A divorce
  - ✓ The death of a loved one
  - ✓ A terminal disease
- ✓ A supplier shares confidential company information in an NDA

# The Science of Trust



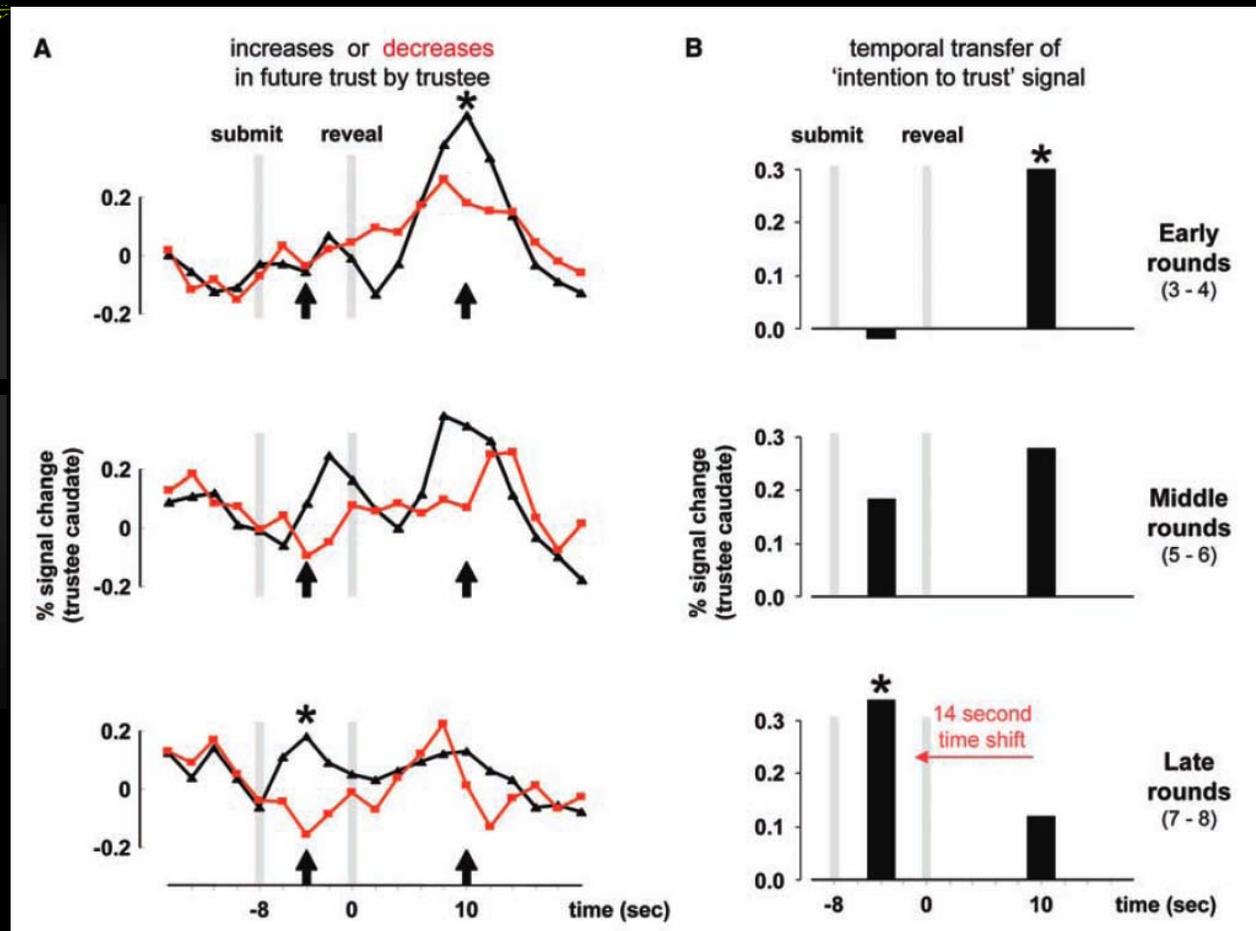
- ✓ FMRI studies have been exploring the brain's behavior in trust relationships
- ✓ Neural responses drive behavior
- ✓ The Investor-Trustee Relationship
  - ✓ Malevolent Behavior
  - ✓ Neutral Behavior
  - ✓ Benevolent Behavior
- ✓ Looking for “Intention to Trust” signals
  - ✓ Delayed in early rounds
  - ✓ Anticipatory in late rounds
- ✓ People build a model of trust
  - ✓ Accuracy at predicting responses increases

# The Science of Trust



Brooks King-Casas, Damon Tomlin, Cedric Anen, Colin F. Camerer, Steven R. Quartz. (2005). Getting to Know You: Reputation and Trust in a Two Sided Economic Exchange. *Science*. 308 (5718), 78-83.

# The Science of Trust



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# Trust



- ✓ Without trust, private risks cannot be expressed
- ✓ Trust is hard to measure, but its absence is easy to detect
- ✓ Internal critics, dutiful silence, lack of debate, and schadenfreude are all signs of lost trust

# Building Trust



- ✓ Learn personal details and remember them (lessons from sales techniques)
- ✓ Demonstrate your track record (change it if necessary)
- ✓ Reward the behavior of reporting risks (The carrot principle)
- ✓ Repeat, Repeat, Repeat: Consistent behavior builds trust

# Communication



- ✓ Focused communication can be used to increase trust
- ✓ Private risks are not communicated, except in general terms
- ✓ Communicate risks down, as well as up
- ✓ Communicating issues down can help to establish better trust relationships

# Communication Strategy



- ✓ Communicate Goals
  - ✓ Frame the Work
  - ✓ Define Goals Clearly
- ✓ Define Rewards that are aligned to the communicated Goals
- ✓ Poll for risks that interfere with achieving those communicated goals

# Communication Tactics



- ✓ Project Management does not happen behind a desk.
- ✓ MBWA - Skip Level face to face
- ✓ Weekly Face to Face Status
- ✓ Monthly All-Hands, management, stakeholder meetings
- ✓ Quarterly Strategic Planning
- ✓ All Meeting Minutes taken in detail, all comments attributed, available to everyone

# Maximizing Private Risk Reporting



- ✓ Understand the Current Environment
- ✓ Communicate Goals
- ✓ Establish Your Responses, Aligned to Goals, for Desired Behavior
- ✓ Establish Trust Through Consistency

# Gathering Private Risks



- ✓ Gathering private risks involves building trust
- ✓ A safe environment must be created at each management level
- ✓ An expectation of rewards for behaviors must be established
- ✓ Remember that everyone's behavior makes sense to them

# Protecting Private Risks



- ✓ Private Risks cannot be shared outside of the relationship between project manager and the reporter of the risk
- ✓ If held in an electronic format, it should be encrypted and have restricted access
- ✓ They cannot be used for lessons learned, unless very sanitized (separating from the project and reporter)

# Managing Private Risks



- ✓ A private risk register
- ✓ Populated with source, impact and likelihood
- ✓ Aggregated to determine contingency budgets
- ✓ Let's examine an example Risk Tracker

# What If Trust is Already Lost?



- ✓ Expose and face the situation honestly
- ✓ Communicate the new direction
- ✓ Prepare for resistance
- ✓ Be consistent
- ✓ Reward positive change in tangible ways
- ✓ Be patient

# And if that doesn't work?



- ✓ Mix it up
  - ✓ Reform small teams and groups
  - ✓ Find those that exhibit the behavior you want and use them to evangelize
- ✓ Identify informal leaders
  - ✓ Engage them in project issues and concerns
  - ✓ Recognize their influence
  - ✓ Focus them on the project goals
- ✓ Form Triads (groups of three to wield influence)

# And if that doesn't work?



- ✓ Bad Reputations can be unfair
- ✓ Bad Attitudes can be contagious
- ✓ New Faces Have No Baggage
- ✓ Try Again Somewhere Else
  - ✓ Start Fresh with a new project or organization
  - ✓ Apply all of the lessons from inception

# Questions?



## Ask Me Anything...

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# References



- ✓ Brooks King-Casas, Damon Tomlin, Cedric Anen, Colin F. Camerer, Steven R. Quartz. (2005). Getting to Know You: Reputation and Trust in a Two Sided Economic Exchange. *Science*. 308 (5718), 78-83.
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